(i) Delay in processing the Notice Inviting Tender (NIT) for awarding the contacts by utilities.

(ii) Delay in awarding the contracts by utilities.

(iii) Delay in supply of equipments due to increased demand.

(iv) Poor response from the contractors, especially in North-Eastern states and Jammu & Kashmir.

(v) Delay in transfer of fund to the utilities by the States.

(vi) Heavy quantum of work which utilities were not geared up to handle.

(vii) Non-adoption of turnkey contract system by many utilities.

(d) and (e) Comptroller and Auditor General of India (C&AG's) in its Report No.16 of 2007 for the year ended March ' 2006 Union Government (Civil-Performance Audit) relating to "Performance Audit of Accelerated Power Development and Reforms Programme (APDRP)" has pointed out that there have been instances of diversion of funds and incorrect financial reporting by some of the States.

In view of the recommendations/suggestions of the various stakeholders including C&AG on the implementation of APDRP, the programme is proposed to be restructured with the revised terms and conditions during the Eleventh Five Year Plan to make it more effective.

Monitoring and evaluation of power projects

†1021. SHRI JAI PARKASH AGGARWAL: Will the Minister of POWER be pleased to state:

(a) whether Government evaluates and monitors the power projects;

(b) if so, the details of evaluation of different projects completed, as on date;

(c) the outcomes thereof;

(d) the efforts made by Government in this direction on the basis of outcome of evaluations; and

(e) if not, the reasons thereof?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) to (e) With the coming into effect of the Electricity Act, 2003 the techno-economic clearance (TEC) after the appraisal of the projects by Central Electricity Authority (CEA) is no longer required for thermal generation projects. Concurrence of CEA is now required only for setting up of Hydro electric schemes whose estimated capital expenditure exceeds the notified limits. In the year 2006-07 average time taken for according concurrence was reported as about 40 days which has come down to 30 days in 2007-08 (upto February, 2008).

For ensuring delivery of accelerated capacity addition as envisaged for the 11th Plan following monitoring mechanism has been evolved:

- Central Electricity Authority has a nodal officer associated with each on-going project which continuously monitors the progress as site through frequent visits and continuous interaction.
- Regular meeting are being organized in Ministry of Power with CEA, Central Public Sector Undertakings (CPSUs) and other stakeholders with a view to review the critical milestones associated with each on-going project.
- To strengthen the monitoring mechanism, steps have been taken to set up Power Project Monitoring Panel (PPMP).

†Original notice of the question was received in Hindi.

As an outcome of rigorous follow up with all the stakeholders, capcity to the tune of 7683 MW has been commissioned during 2007-08 (as on 22.2.2008) and projects aggregating 61,725 MW have been brought to the construction stage by the end of first year (as on 22.2.2008) of the 11th Plan so far which is over three times the projects that were under construction during the first year of 10th Plan.

Concessions to small power units

1022. SHRIMATI N.P. DURGA: Will the Minister of POWER be pleased to state:

(a) what concessions Government is proposing to small power units generating 25 MW of power;

(b) how the proposed move would help in augmenting power generation capacities, provide level-playing field for small and medium size companies, reduce electricity tariff, etc.,

(c) whether any tax holiday is proposed for the promoters of such units; and

(d) if so, the details thereof?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (d) Ministry of New and Renewable Sources of Energy, which is the nodal Ministry for matters relating to hydel projects of and below 25 MW capacity and also other grid-interactive renewable power projects, has informed that concessions are being provided through a mix of fiscal and financial incentives that include capital/interest subsidy, accelerated depreciation, nil/ concessional excise and customs duties. Further, as applicable to all new infrastructure projects, profits earned from sale of renewable power are exempt from Income Tax for any 10 years out of the first 15 years of operation of the projects. In addition, preferential tariff for grid-interactive renewable power is being given in most potential States. These concessions and fiscal benefits improve viability of small power projects and also encourage many developers to set up power projects to supply power to the grid.

Boosting the Hydro-Power Development

1023. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Government proposes to take a number of initiatives, including hydro-development fund, to woo the investors to boost hydro-power development;

(b) if so, the details thereof; and

(c) what is the current hydro power generation per annum and what is its projection by end of the Eleventh Five Year Plan?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) While there is no separate proposal for creation of a hydro development fund, the Government has recently approved a new hydro policy which is expected to boost hydro power development in the country. The salient features of the said Policy are as under:

- The existing dispensation available to the Public Sector under the National Tariff Policy 2006, regarding exemption from tariff based bidding up to January, 2011, is also extended to private sector hydroelectric projects which obtain CEA's concurrence, sign PPAs with distribution licensees and achieve financial closure before January, 2011.